

1 FAM 050

OFFICE OF INSPECTOR GENERAL (OIG)

(CT:ORG-335; 06-27-2014)
(Office of Origin: OIG/EX)

1 FAM 051 OFFICE OF INSPECTOR GENERAL (OIG)

(CT:ORG-312; 07-17-2013)

The Office of the Inspector General (OIG) was created by the Congress to:

- (1) Conduct and supervise independent and objective audits, inspections, evaluations, reviews and investigations of the programs and operations of the Department of State (Department) and the Broadcasting Board of Governors (BBG) and the International Boundary and Water Commission, United States and Mexico, U.S. Section (USIBWC), and any other organization for which OIG is assigned responsibility;
- (2) Recommend corrective action and report on progress made in implementing these recommendations;
- (3) Provide leadership and coordination; recommend policies to promote economy, efficiency, and effectiveness; and to prevent fraud and abuse in the programs and operations of the Department, the BBG, and the USIBWC and any other organization for which the OIG is assigned oversight responsibility; and
- (4) Keep the Secretary of State (Secretary), the Board of the BBG (Board), the United States Commissioner, International Boundary and Water Commission, United States and Mexico, U.S. Section (Commissioner), the head(s) of any other organization(s) for which OIG is assigned oversight responsibility, and the Congress fully and currently informed concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of each organization's respective programs and operations.

1 FAM 051.1 Authorities

(CT:ORG-312; 07-17-2013)

The following authorities apply to the responsibilities of the Office of the Inspector General:

- (1) Inspector General Act of 1978, as amended (5 U.S.C. app.);
- (2) Foreign Service Act of 1980, Section 209 (22 U.S.C. 3929);

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- (3) Omnibus Diplomatic Security and Antiterrorism Act of 1986, Section 413 (22 U.S.C. 4861);
- (4) Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512);
- (5) Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 - 3812);
- (6) Chief Financial Officers Act of 1990, Section 304 (31 U.S.C. 3521);
- (7) United States International Broadcasting Act of 1994, Section 304, as amended (22 U.S.C. 6203;
- (8) Federal Financial Management Improvement Act of 1996, Section 804 (31 U.S.C. 3512 Note);
- (9) Foreign Affairs Reform and Restructuring Act of 1998, Section 1314 (22 U.S.C. 6533)
- (10) Radio Free Afghanistan Act (22 U.S.C. 6215);
- (11) Federal Information Security Management Act of 2002, as amended (44 U.S.C. 3541 et seq.) (see specifically 44 U.S.C. 3545);
- (12) Consolidated Appropriation Act, 2003, Public Law 108-7, Division A, Title V, section 509, concerning the Foreign Assistance Act of 1961, 22 U.S.C. 2151 et seq.;
- (13) Consolidated Appropriation Act, 2008, Public Law 110-161, Division D, title VII, section 746;
- (14) American Recovery and Reinvestment Act of 2009, Public Law 111-5, sections 1514-1515;
- (15) Memorandum of Understanding between the United States Section of the International Boundary and Water Commission United States and Mexico and the Department of State, dated September 25, 2009, section 2.3;
- (16) Standards of Conduct for Executive Branch Employees, 5 CFR Part 2635;
- (17) Executive Order 13462 dated February 29, 2008, President's Intelligence Advisory Board and Intelligence Oversight Board;
- (18) Memorandum for the Heads and Inspectors General of Executive Departments and Agencies from the Attorney General Concerning Procedures for Lawful, Warrantless Monitoring of Verbal Communications, dated May 30, 2002;
- (19) Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority, dated December 8, 2003;
- (20) Office of Management and Budget Circular A-50 – Audit Follow-up;
- (21) Office of Management and Budget Circular A-123 – Management Accountability and Control;
- (22) Office of Management and Budget Circular A-127 – Financial Management Systems;

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- (23) Office of Management and Budget Circular A-133 – Audits of States, Local Governments, and Non-Profit Organizations;
- (24) Federal Acquisition Regulation (FAR) Section 52.203-13, Contractor Code of Business Ethics and Conduct (added by 73 FR 67064);
- (25) Protection of Certain Disclosures of Information by Federal Employees – Whistleblower Protection Enhancement Act of 2012; and
- (26) Other authorities as appropriate.

1 FAM 051.2 Applicability

(CT:ORG-312; 07-17-2013)

This FAM section applies to all employees, locally employed staff, foreign national employees, individuals providing services via personal service agreements (PSAs), personal service contractors (PSCs), contractors, grantees, subcontractors and subgrantees at all levels, of the Department, BBG, USIBWC, and any other organization for which OIG has oversight responsibility.

1 FAM 051.3 Professional Standards

(CT:ORG-312; 07-17-2013)

- a. Section 7 of the Inspector General Reform Act of 2008, signed on October 14, 2008, establishes a new Council of the Inspectors General on Integrity and Efficiency (CIGIE) that replaces the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE). Included in the Act is the requirement for Offices of Inspector General to adhere to professional standards developed by this new Council.
- b. Pursuant to this requirement, OIG follows the existing professional standards published by the PCIE/ECIE and superseding standards published by the CIGIE, and the most current professional auditing standards published by the Government Accountability Office (GAO):
 - Quality Standards for Federal Offices of Inspector General – CIGIE
 - Government Auditing Standards (Yellow Book) – GAO
 - Quality Standards for Investigations – CIGIE
 - Quality Standards for Inspection and Evaluation – CIGIE

1 FAM 052 ORGANIZATION

(CT:ORG-241; 05-04-2011)

See 1 FAM Exhibit 052 for the Office of Inspector General organization chart.

1 FAM 052.1 Inspector General

(CT:ORG-312; 07-17-2013)

OIG is headed by an Inspector General nominated by the President, confirmed by the Senate, and who holds the equivalent rank of an Assistant Secretary. No career member of the Foreign Service may be appointed Inspector General of the Department of State (22 U.S.C. 4861). The Inspector General reports directly to the Secretary, the Board, the Commissioner and the head of any other organization for which the OIG is assigned oversight responsibility, or to the extent such authority is delegated, to the officer next-in-rank. Responsibilities and authorities are outlined in 1 FAM 053.1.

1 FAM 052.2 Deputy Inspector General

(CT:ORG-241; 05-04-2011)

- a. The Deputy Inspector General must be a Civil Service employee, reports directly to the Inspector General, and holds the equivalent rank of a deputy assistant secretary of state.
- b. The Deputy Inspector General:
 - (1) Performs the duties of the Inspector General in his or her absence; and
 - (2) At the direction of the Inspector General, provides supervision, direction, and guidance to OIG offices specified by the Inspector General, except the Office of General Counsel (OGC), which reports directly to the Inspector General.

1 FAM 052.3 Assistant Inspectors General

1 FAM 052.3-1 Assistant Inspector General for Audits

(CT:ORG-312; 07-17-2013)

The Assistant Inspector General for Audits heads the Office of Audits (OIG/AUD) and conducts, supervises, and coordinates audits of the programs and operations of the Department, the BBG, the USIBWC, and any other organization for which OIG has oversight responsibility, as well as contractors and grantees funded by these organizations.

1 FAM 052.3-2 Assistant Inspector General for Investigations

(CT:ORG-312; 07-17-2013)

The Assistant Inspector General for Investigations heads the Office of Investigations (OIG/INV) and conducts, supervises, and coordinates investigations of the programs and operations of the Department, the BBG, the USIBWC, and

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any other organization for which OIG has oversight responsibility, as well as contractors and grantees funded by these organizations.

1 FAM 052.3-3 Assistant Inspector General for Inspections

(CT:ORG-312; 07-17-2013)

The Assistant Inspector General for Inspections heads the Office of Inspections (OIG/ISP) and conducts, supervises, and coordinates inspections of the programs and operations of the Department, the BBG, the USIBWC, and any other organization for which OIG has oversight responsibility, as well as contractors and grantees funded by these organizations.

1 FAM 052.3-4 Assistant Inspector General for Administration and Executive Director

(CT:ORG-312; 07-17-2013)

The Assistant Inspector General for Administration/Executive Director of the Office of the Inspector General (OIG/EX), is responsible for human resources, training, procurement, administrative and general services, budget and finance, internal OIG directives and information technology support for OIG; and OIG strategic planning and performance reporting and budgeting; maintaining and analyzing the data base for OIG reports, findings, and recommendations; publishing and distributing OIG reports and publications; preparing, publishing, and distributing OIG semiannual reports to the Department, the BBG, and the Congress; reviewing and commenting on Department rules, policies, and procedures; and supporting the participation of the Inspector General on the Council of the Inspectors General on Integrity and Efficiency (CIGIE), the Department's Management Control Steering Committee, and other initiatives requested by the Inspector General.

1 FAM 052.4 General Counsel to the Inspector General (OIG/OGC)

(CT:ORG-312; 07-17-2013)

- a. The General Counsel heads the Office of General Counsel (OIG/OGC).
- b. OGC provides legal advice to the Inspector General, Deputy Inspector General, OIG senior staff, and others in OIG on the full range of activities within OIG, including inspections, investigations, and audits. OGC is responsible for managing OIG's Freedom of Information Act (FOIA) and Privacy Act (PA) programs.
- c. To maintain and ensure its independence, OIG has its own OGC, which reports to and is under the direct supervision of the Inspector General. OGC's primary functions include the following:
 - (1) Legal advice concerning OIG activities to OIG personnel during the

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planning and performance of their duties, such as identifying and analyzing legal issues that bear on audit and inspection findings and recommendations, or investigative activities;

- (2) Guidance and direction to OIG/INV to ensure all applicable legal standards are complied with and OIG's interests are protected. OGC prepares subpoenas for the Inspector General's signature. OGC communicates for OIG with counsel in the Department, the BBG, the USIBWC, and any other organization for which OIG has oversight responsibilities. OGC represents OIG in Federal litigation in conjunction with the Department of Justice;
- (3) Review of products and policies: OGC reviews and approves all OIG audit, inspection, and investigative reports and internal policies before they are finalized and issued. OGC reviews and comments on proposed legislation and regulations, revisions to the Foreign Affairs Manual and Foreign Affairs Handbook, the Department of State Acquisition Regulation (DOSAR), and initiatives of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Finally, all other OIG products, regardless of form or type, are reviewed and approved by OGC prior to presentation or issuance;
- (4) Freedom of Information Act (FOIA) and Privacy Act (PA): OGC serves as the sole point of contact and advisor on all matters concerning the FOIA and PA that relate to OIG records. OIG processes its own records for release under the FOIA and PA. OGC reviews OIG products, redacting as appropriate, for posting on OIG's Web site and for dissemination to the Department, the BBG, the USIBWC, and any other organization for which OIG has oversight responsibility, the Congress, to the public, and to FOIA and PA requesters. OGC coordinates with A/GIS/IPS to ensure that the Department of State can accurately meet its annual obligations to report Department-wide data in accordance with the FOIA;
- (5) Personnel issues: OGC represents OIG in equal employment opportunity and Merit Systems Protection Board complaints, mediations, grievances, disciplinary actions, or other administrative litigation-related OIG personnel issues, such as matters involving the Council of the Inspectors General on Integrity and Efficiency (CIGIE);
- (6) Ethics issues: OGC provides on-request guidance, review, and clearance for the Inspector General and OIG employees on ethics-related issues, such as outside employment and post-employment, service on outside boards, and participation in outside organizations. OGC serves as OIG's liaison to the Office of the Legal Adviser.

1 FAM 052.5 Office of Congressional and Public Affairs (OIG/CPA)

(CT:ORG-312; 07-17-2013)

The Office of Congressional and Public Affairs (OIG/CPA) is headed by the OIG General Counsel or other Senior Executive Service employee appointed by the Inspector General who:

- (1) Reviews and tracks legislation;
- (2) Oversees preparation of congressional briefings and testimony;
- (3) Responds to requests from the Congress and media;
- (4) Serves as spokesperson for OIG;
- (5) Compiles and distributes a regular media report/analysis on issues pertaining to and of interest to OIG and its work;
- (6) Coordinates meetings/briefings with OIG visitors from international oversight organizations, including those offered by the International Visitors Program; and
- (7) Manages content and coordinates policy for OIG web sites on the Internet, intranet, and classified network, as well as social media outreach.

1 FAM 052.6 Whistleblower Ombuds

(CT:ORG-335; 06-27-2014)

- a. As designated by the Inspector General, the Whistleblower Protection Ombuds shall educate agency employees:
 - (1) About prohibitions on retaliation for protected disclosures; and
 - (2) Who have made or are contemplating making a protected disclosure about the rights and remedies against retaliation for protected disclosures.
- b. The Whistleblower Protection Ombuds shall not act as a legal representative, agent, or advocate of the employee or former employee.

1 FAM 053 RESPONSIBILITIES AND AUTHORITIES

1 FAM 053.1 Inspector General for the Department of State, the Broadcasting Board of Governors (BBG), the International Boundary and Water Commission, United States and Mexico, U.S. Section (USIBWC), and Any

Other Organization For Which OIG Has Oversight Responsibilities.

(CT:ORG-325; 01-06-2014)

The Inspector General:

- (1) Periodically inspects and audits the administration of activities and operations of each Foreign Service post, bureau, and other operating units of the Department, the BBG, the USIBWC, and any other organization for which the OIG has oversight responsibility. This includes reviews of activities and operations performed under the direction, coordination, and supervision of chiefs of mission (COMs) to determine whether they are being administered in accordance with U.S. foreign policy and are consistent with the responsibilities of the Secretary and the COM;
- (2) Receives and investigates complaints or information from Department, BBG, USIBWC, and any other organization for which the OIG has oversight responsibility employees, contractors, grantees, and others concerning the possible existence of any of those organization's activities involving:
 - (a) Violation of laws, rules or regulations;
 - (b) Mismanagement, gross waste of funds, or abuse of authority; or
 - (c) Substantial and specific danger to public health or safety;
- (3) With respect to 1 FAM 053.1-1, subparagraph a. (1) and (2), the Inspector General shall respect the journalistic integrity of all BBG broadcasters covered by the Foreign Affairs Reform and Restructuring Act of 1998 and may not evaluate the philosophical or political perspectives reflected in the content of the broadcasts;
- (4) Reports expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law;
- (5) Reports immediately to the Secretary, the Board, the Commissioner, or the head of any other organization for which OIG has oversight responsibility particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of their respective programs and operations;
- (6) Reviews existing and proposed legislation and regulations relating to programs and operations of the Department, the BBG, the USIBWC, and any other organization for which OIG has oversight responsibility to promote economy and efficiency and prevent and detect fraud and abuse;
- (7) Recommends policies for conducting, supervising, and coordinating activities carried out or financed by the Department, BBG, USIBWC, and any other organization for which OIG has oversight responsibility to promote economy and efficiency and to prevent or detect fraud and abuse in those organizations' programs and operations;

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- (8) Recommends policies for conducting, supervising, and coordinating relationships between the Department and other Federal agencies, State and local government agencies, and nongovernmental entities to promote economy and efficiency and to prevent or detect fraud and abuse in the programs and operations of the Department, the BBG, the USIBWC, and any other organization for which the OIG has oversight responsibility; and
- (9) Prepares and transmits to the Secretary and to the Board, no later than April 30 and October 31 of each year, a semiannual report (SAR) to the Congress summarizing OIG activities during the preceding 6-month periods ending March 31 and September 30. See 1 FAM Exhibit 050(2) for the reporting requirements found in Section 5 of the Inspector General Act, as amended.

1 FAM 053.1-1 Authorities

(CT:ORG-321; 10-01-2013)

- a. As necessary for carrying out the duties and responsibilities provided by the Inspector General Act of 1978, as amended, the Inspector General is authorized to:
 - (1) Have prompt access to all records, including access to all electronic data bases, reports, audits, reviews, documents, papers, recommendations, or other material available to the Department, the BBG, the USIBWC, and any other organization for which the OIG has oversight responsibility that relate to those organizations' programs and operations, including cables with limited distribution;
 - (2) Conduct investigations and prepare reports relating to the administration of the programs and operations of the Department, the BBG, the USIBWC, and any other organization for which the OIG has oversight responsibility that the Inspector General determines are necessary;
 - (3) Request any information or assistance the Inspector General determines is necessary from any Federal, State, or local governmental agency or unit thereof;
 - (4) Require by subpoena the production of all information, documents, reports, answers, records, accounts, papers, and other documentary evidence or data in any medium (including electronically stored information, as well as any tangible thing). A subpoena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate U.S. district court. Procedures other than subpoenas shall be used by the Inspector General to obtain documents and information from Federal agencies;
 - (5) Administer to or take from any person an oath, affirmation, or affidavit;
 - (6) Have direct and prompt access, when necessary, to the Secretary, the Board, the Commissioner, and the head(s) of any other organization(s) for

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which the OIG has oversight responsibility;

- (7) Recruit, select, employ, and/or appoint such officers and employees to carry out the functions, powers, and duties of OIG, subject to the provisions of Title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.
- (8) The Inspector General has the functions, powers, and duties of an agency head or appointing authority under the following provisions under 5 U.S.C.
 - (a) Subchapter II of Chapter 35;
 - (b) Sections 8335(b), 8336, 8344, 8414, 8468, and 8425(b); and
 - (c) All provisions relating to the Senior Executive Service, as determined by the Office of Personnel Management;
- (9) Request that employees of the Department and members of the Foreign Service be detailed or assigned as employees of OIG. The individuals assigned and appointed shall be responsible solely to the Inspector General or designee, who shall prepare the performance evaluation reports for such individuals;
- (10) Enter into contracts and other arrangements for audits, studies, analyses, and other services with executive branch agencies, State and local governments, or private organizations or persons; and
- (11) Obtain services as authorized by 5 U.S.C. 3109, at daily rates not to exceed the equivalent rate prescribed for grade GS-15 of the General Schedule by 5 U.S.C. 5332.

b. The Inspector General also has been authorized by the Attorney General to:

- (1) Carry a firearm while engaged in official duties, as authorized under the Inspector General Act of 1978, as amended, or other statute, or as expressly authorized by the Attorney General (if compliant with firearm training requirements);
- (2) Make an arrest without a warrant while engaged in official duties as authorized under the Inspector General Act or other statute, or as expressly authorized by the Attorney General, for any offense against the United States committed in their presence that is cognizable under the laws of the United States if the Inspector General has reasonable grounds to believe that the person to be arrested has committed or is committing such offense; and
- (3) Seek and execute warrants for arrest, search of a premises, and seizure of evidence issued under the authority of the United States upon probable cause to believe a violation has been committed.

1 FAM 053.2 Responsibilities of All Employees of the Department, BBG, USIBWC, and Any Other Organization For Which OIG Has Oversight Responsibilities

1 FAM 053.2-1 Secretary of State, the Board of the Broadcasting Board of Governors (BBG) and the Commissioner of the International Boundary and Water Commission (USIBWG)

(CT:ORG-335; 06-27-2014)

The Secretary of State, the Board of the Broadcasting Board of Governors (BBG) and the Commissioner of the International Boundary and Water Commission shall:

- (1) Provide OIG with appropriate and adequate office space at headquarters building or, domestic offices and posts abroad, and necessary equipment, office supplies, communications facilities and services, to operate the offices and provide necessary maintenance service for the offices and equipment and facilities located in the offices;
- (2) Transmit reports made by the Inspector General of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations of the Department or the BBG, along with any comments the Secretary or the Board deem appropriate, to the appropriate committees or subcommittees of Congress within seven calendar days;
- (3) Transmit the semiannual report (SAR), with any comments deemed appropriate, to the appropriate committees or subcommittees of the Congress within 30 days of receiving it from the Inspector General. See 1 FAM Exhibit 050(3), for the reporting requirements found in Section 5 of the Inspector General Act, as amended. Within 60 days of transmittal to the Congress, the Secretary and the Board shall make copies of the reports available to the public upon request at a reasonable cost;
- (4) Not assign to the Inspector General any general program operating responsibilities; *and*
- (5) The Secretary of State, the Broadcasting Board of Governors, the Commissioner of the U.S. Section of the International Boundary and Water Commission, and the heads of any other organization for which the OIG has oversight responsibility, or the officer next in rank shall not prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit, inspection, investigation, or review, or from issuing any subpoena during the course of any OIG work.

1 FAM 053.2-2 Under Secretary for Management (M)

(CT:ORG-312; 07-17-2013)

The Under Secretary for Management (M) is the Secretary's designated top management official responsible for audit and inspection follow-up and the Secretary's designee for impasse resolution when Department officials do not agree with OIG recommendations for corrective action. See 1 FAM 056.1, Impasse paragraph.

1 FAM 053.2-3 Director of the International Broadcasting Bureau(BBG)

(CT:ORG-312; 07-17-2013)

The Director of the International Broadcasting Bureau or designee is the designated top management official responsible for audit, inspection, and compliance follow-up review.

1 FAM 053.2-4 United States Commissioner and International Boundary and Water Commission, United States and Mexico, U.S. Section

(CT:ORG-335; 06-27-2014)

- a.* The Commission is the designated top management official responsible for impasse resolution for the USIBWC when USIBWC officials do not agree with OIG recommendations for corrective action.
- b.* The Commissioner is the designated top management official responsible for audit and inspection follow-up.

1 FAM 053.2-5 Department, BBG, USIBWC, and Any Other Organization For Which OIG Has Oversight Responsibilities, Employees, Locally Employed Staff, Foreign National Employees, Individuals Providing Services Via Personal Service Agreements (PSAs), Personal Service Contractors (PSCs), and Department, BBG, and USIBWC Contractors and Their Subcontractors, and Grantees at All Levels

(CT:ORG-312; 07-17-2013)

- a.* This section applies to all of the above categories of individuals.
- b.* All of these categories of individuals are responsible for promoting honesty, integrity, effectiveness, and efficiency in the conduct of their work.
- c.* All of these categories of individuals shall promptly and without interference or undue inquiry, provide requested assistance and information to OIG personnel

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and to independent contractors working on behalf of the OIG carrying out OIG's official responsibilities. Such cooperation includes, but is not limited to:

- (1) Providing prompt access to, and the originals if necessary, all records, reports, audits, reviews, documents, papers, recommendations, electronic media, or other materials available to the post, bureau, unit, or other entity that relate to programs, operations, grantees, contractors, and assignees, in any format;
 - (2) Allowing access to Department, BBG, and the USIBWC data in financial management or other systems and local or Bureau/Office network drives, as needed, if OIG determines that access will provide useful information or improve efficiency of its work and such access can be reasonably provided;
 - (3) Cooperating fully by disclosing complete and accurate information pertaining to matters under OIG investigation and review;
 - (4) Informing OIG personnel of any other areas or activities they believe require special attention;
 - (5) Not concealing information or obstructing audits, inspections, investigations, or other official OIG reviews or inquiries;
 - (6) Reporting known or suspected waste, fraud, abuse, false certifications, and corruption on a timely basis to the Office of Inspector General, Office of Investigations (OIG/INV);
 - (7) Honoring OIG request for interviews and OIG personnel and contractors in a timely manner;
 - (8) Honoring OIG requests to meet individually with employees and contractors, grantee employees and respecting individuals' rights to speak directly and confidentially with OIG personnel; and;
 - (9) Refrain from inappropriate activity, including retaliation that might inhibit employee or contractor or grantee employees from individual communication and cooperation with OIG personnel.
- d. When any individual in the above categories believes another individual in the above categories has committed a criminal act, the individual shall promptly inform the OIG of the matter, and shall not, without the written authorization of an OIG official:
- (1) Engage in any independent investigation or inquiry;
 - (2) Discuss the matter with the suspected wrongdoer or representative; or
 - (3) Disclose to unauthorized persons information regarding the matter or information that identifies or could reasonably lead to identifying the person(s) reporting the irregularity or problem.
- e. Contractors and grantees are required to notify OIG/INV when they have credible evidence that a principal, employee, agent, or subcontractor of the contractor/grantee has committed a violation of the civil False Claims Act or a

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violation of Federal criminal law involving fraud, conflict of interest, bribery, gratuity or trafficking in persons violations in connection with the award, performance, or closeout of a contract or any related subcontract or grant. The individual making the report must be an officer or manager empowered to speak for the company (73 FR 67064).

- f. All of the above individuals may contact OIG in any of the following ways:
- (1) In person by contacting OIG/INV;
 - (2) By official correspondence, personal letter or e-mail. OIG has exclusive hotline addresses for this purpose:
 - OIGHotline@state.gov: Unclassified information
 - OIGHotline@state.sbu: Sensitive But Unclassified information
 - Office of Inspector General/Office of Investigations Hotline
P.O. Box 9778
Arlington, Virginia 22219
OIG/INV-administered hotline numbers(202) 647-3320 or (800) 409-9926
- g. In accordance with section 7(b) of the Inspector General Act of 1978, as amended, the OIG shall not, after receipt of a complaint or information from an employee disclose the identity of the employee, without the consent of the employee unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.
- h. Any individual who knowingly and willfully gives false or misleading information to OIG personnel could be subject to criminal prosecution and/or disciplinary action, up to and including dismissal. Contractor or grantee employees who knowingly and willfully give false or misleading information could be subject to criminal prosecution and/or suspension or debarment from involvement in government contracts and grants.
- i. Upon presentation of proper credentials, OIG personnel may administer or take from any person an oath, affirmation, or affidavit.
- j. Employees have an obligation to provide information to and truthfully and completely answer questions by OIG officials. Employees who fail to provide information when requested or to truthfully and completely answer questions from OIG officials may be subject to disciplinary action up and including dismissal. The exception is if the employee is the subject of a criminal investigation that has not been declined by the Department of Justice for prosecution. In such instances, the employee may invoke the protection of the Fifth Amendment to the Constitution of the United States with respect to self-incrimination. Contractor and grantee employees have an obligation to provide information when requested and to truthfully and completely answer questions from OIG officials. Contractor and grantee employees who fail to provide information when requested or to truthfully and completely answer questions from OIG officials may be subject to possible suspension or debarment from

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participating in government contracts and grants.

- k. If OIG personnel interview an employee who is a member of the bargaining unit on a matter that the employee reasonably believes will result in disciplinary action against the employee, the employee may, upon request, have a union representative present. However, the employee is required to furnish pertinent information and answer all relevant questions truthfully and completely. Refusal to provide such information may be grounds for disciplinary action, up to and including dismissal.
- l. An employee who has authority to take, direct others to take, recommend, or approve any personnel action, is prohibited from taking or threatening to take any action against any employee as a reprisal for making a complaint or disclosing information to OIG, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity. If the individual is a U.S. citizen employee this prohibited personnel practice is punishable by disciplinary action, up to and including dismissal or civil fine (see 5 U.S.C. 2302(b)(8))

1 FAM 054 AUDITS

(CT:ORG-312; 07-17-2013)

- a. The Office of Audits (OIG/AUD) provides independent and objective audit coverage of Department, BBG, USIBWC, and any other organization for which the OIG has oversight responsibilities programs and operations. OIG/AUD coordinates with these organizations, GAO, and other concerned parties to prevent duplication of audit efforts and to ensure an effective and efficient audit program.
- b. Audits are conducted in accordance with the Comptroller General's Government Auditing Standards and are performed by independent, qualified professionals (including auditors, accountants, and other specialists) and include:
 - (1) Financial audits that provide an independent assessment of whether an entity's reported financial information (e.g., financial condition, results, and use of resources) are presented fairly in accordance with recognized criteria. Financial audits performed in accordance with generally accepted government accounting standards (GAGAS) include financial statement audits and other related financial audits;
 - (2) Attestation engagements that result in an examination, a review, or an agreed-upon procedures report on a subject matter or on an assertion about a subject matter that is the responsibility of another party; and
 - (3) Performance audits that are audits providing findings or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria.
- c. Audit work includes actions taken to:

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- (1) Gather information about a program or operation in order to acquire an understanding of its organization, policies, methods of operation, and effect on mission or objectives;
- (2) Collect sufficient information about a suspected problem area for audit managers to make a decision whether or not to commit additional resources;
- (3) Examine and analyze a program or operation using a series of limited tests to isolate critical problem areas and to provide information necessary for planning a detailed review; and
- (4) Obtain sufficient, appropriate evidence to provide a reasonable basis for findings, conclusions, and recommendations.

1 FAM 054.1 Audit Standards

(CT:ORG-335; 06-27-2014)

- a. Government Auditing Standards, issued by the Comptroller General of the United States, contains standards for audits and attestation engagements of U.S. Government organizations, programs, activities, and functions, and for government assistance received by contractors, nonprofit organizations, and other nongovernmental organizations. These standards, often referred to as generally accepted government auditing standards (GAGAS), are to be followed by auditors and audit organizations when required by law, regulation, agreement, contract, or policy.
- b. General standards for the conduct of audits of U.S. Government programs, activities, and functions are as follows:
 - (1) In all matters relating to the audit work, the audit organization and the individual auditor, whether U.S. Government or public, must be independent. Independence comprises independence of mind and independence in appearance;
 - (a) GAGAS defines independence of mind as follows:
 - (i) The state of mind that permits the performance of an audit without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity and exercise objectivity and professional skepticism.
 - (b) GAGAS defines independence in appearance as follows:
 - (i) The absence of circumstances that would cause a reasonable and informed third party, having knowledge of the relevant information, to reasonably conclude that the integrity, objectivity, or professional skepticism of an organization or member of the audit team has been compromised.
 - (2) Auditors must use professional judgment in planning and performing audits

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and attestations engagements and in reporting the results;

- (3) The staff assigned to perform the audit must collectively possess adequate professional competence needed to address the audit objectives and perform the work in accordance with GAGAS; and
- (4) Each organization performing audits in accordance with GAGAS must establish and maintain a system of quality control that is designed to provide the audit organization with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements, and have an external peer review at least once every three years.

1 FAM 054.2 Audit Scope and Types

(CT:ORG-312; 07-17-2013)

- a. The Comptroller General's Government Auditing Standards defines scope as follows: "Scope is the boundary of the audit and is directly tied to the audit objectives. The scope defines the subject matter that the auditors will assess and report on, such as a particular program or aspect of a program, the necessary documents or records, the period of time reviewed, and the locations that will be included."
- b. Types of audits include, but are not limited to:
 - (1) Financial statement audits;
 - (2) Financial-related audits;
 - (3) Program effectiveness and results audits;
 - (4) Internal control audits;
 - (5) Compliance audits;
 - (6) Audits mandated by Congress (e.g., the Chief Financial Officers Act, the Federal Managers' Financial Integrity Act, and the Federal Information Security Management Act) or requested by GAO, the Council of the Inspectors General on Integrity and Efficiency (CIGIE), and other oversight entities.
- c. OIG also audits contracts and grants awarded by the Department, the BBG, the USIBWC, and any other organization for which OIG has oversight responsibilities. These audits include evaluations of how well contractors and grantees are meeting their responsibilities to the Department, the BBG and the USIBWC. OIG also reviews cost proposals or charges made for goods and services to determine whether sound contract and grant administration practices exist and to assist the officials who negotiate these instruments. OIG may contract with external audit organizations to perform these audits.
- d. OIG may provide professional services other than audits and attestation

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engagements. These are sometimes referred to as nonaudit services or consulting services.

- e. OIG provides senior managers with progress reports on the status of implementation of recommendations from prior audits through the compliance process defined in section 1 FAM 054.6. OIG may also perform audit follow-up reviews to verify the implementation of management reported actions, determine whether deficiencies and issues identified in the original report have been corrected, and identify whether further corrective action is needed.

1 FAM 054.3 Audit Planning

(CT:ORG-312; 07-17-2013)

- a. Audit planning consists of annual audit plans and planning for specific audits.
- b. Annually, OIG will prepare an audit plan in accordance with standards contained in current Office of Management and Budget (OMB) and GAO directives. The audit plan is designed to provide adequate coverage of all Department, BBG, and USIBWC programs and operations and to ensure efficient and effective use of audit resources. The plan is a summary of all anticipated audit activity to be undertaken during the fiscal year, based on information from past or current OIG work, consultation with the Secretary, input from Department, BBG, the USIBWC, and any other organization for which the OIG is assigned oversight responsibility managers, and coordination within the executive branch and with the Congress. The audit plan must be sufficiently flexible to permit adaptation to changing priorities and requirements.
- c. In planning for specific audits, the audit team will research the area under review, collect preliminary data, and define the audit objectives, as well as the scope and methodology needed to achieve those objectives. A written audit plan and program will be prepared for each audit. Planning is a continuous process throughout the audit. Therefore, auditors may need to adjust the audit objectives, scope, and methodology as work progresses.

1 FAM 054.4 Audit Field Work

(CT:ORG-219; 08-17-2009)

- a. Audit field work is the data-gathering phase of audit work where information is examined and evaluated, findings are identified, and recommendations are developed.
- b. At the start of field work, the audit team will hold an entrance conference with senior officials of the organization, program, or function being audited to provide a description of the audit scope and objectives.
- c. Upon completion of field work at the organization, program, or function being audited, the audit team normally will hold an exit conference with the responsible senior officials to provide them the preliminary audit results prior to

the issuance of the draft and/or the final audit report.

1 FAM 054.5 Audit Reporting

(CT:ORG-312; 07-17-2013)

- a. A formal audit report is generally used to relay auditor's findings and recommendations, along with the comments of the audited organization, program, or function, to those officials who should be informed of the subject matter or who must act upon the recommendations. In cases where a formal audit report is deemed unnecessary, the audit team may issue a memorandum report.
- b. Auditors generally provide a draft report to the appropriate officials of the organization, program, or function that has been audited, who are given a specific period of time in which to provide written comments. If needed, the Assistant Inspector General for Audits may approve an extension for an additional specified period. The Inspector General must approve any subsequent extensions.
- c. Responsible officials of the organization, program, or function that has been audited will be requested to provide OIG with a written response indicating agreement or disagreement with each of the recommendations in the draft report. OIG will note significant changes in the content of the final report made as a result of such comments and will include the written comments in their entirety in an appendix to the report. When comments on draft audit reports have been requested but are not received by the due date, OIG will issue the report stating this fact.
- d. Final audit reports represent the official OIG position on issues addressed by the audit. The Inspector General approves these reports and has final authority on their substance and recommendations. OIG distributes the reports to those officials who are responsible for taking action on audit findings and recommendations, and to others authorized by the Inspector General to receive them. Those responsible for complying with audit recommendations will be requested to respond within the time period stated in the transmittal document, giving a status report and furnishing a corrective action plan with target dates for specific compliance actions.

1 FAM 055 INSPECTIONS

(CT:ORG-312; 07-17-2013)

- a. The Office of Inspections (OIG/ISP) provides an independent and objective mechanism for evaluating and making recommendations to improve the management of Department, the BBG, USIBWC, and any other organizations for which the OIG has oversight responsibilities programs and operations and the effectiveness of the implementation of U.S. foreign policy and

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representation of U.S. interests.

- b. This includes work done to assess management of policy implementation and resource administration and operations performed under the direction, coordination, and supervision of the Secretary, Deputy Secretary, Undersecretaries, bureau and office heads, chiefs of mission (COMs), the Board and Officials of the Broadcasting Board of Governors (BBG), the U.S. Commissioner of the USIBWC and the head of any other organization for which the OIG has oversight responsibilities in order to determine whether they are consistent with the responsibilities of the Secretary, the COM, the BBG, the USIBWC, and any other organization for which OIG has oversight responsibilities. Inspectors assess the quality of management of a program, function, bureau, Foreign Service post, and other organizational entities by examining management's contributions to the policymaking process, including:
- (1) Management's understanding of the standards they are expected to implement and the degree of compliance with the standards;
 - (2) Formulation of measurable objectives and implementation of strategies for achieving policy goals;
 - (3) The degree to which management, in fact, achieves its goals and objectives;
 - (4) Coordination of activities and interests of different agencies or offices;
 - (5) The extent to which employees understand and respond to management guidance; and
 - (6) The adequacy or redundancy of resources and internal management controls.

1 FAM 055.1 Inspection Standards

(CT:ORG-312; 07-17-2013)

The Office of Inspections conducts inspections and evaluations in compliance with the Quality Standards for Inspections and Evaluation, January 2012, issued by the Council on Inspectors General on Integrity and Efficiency and the OIG Inspector's Handbook.

1 FAM 055.2 Inspection Scope and Types

(CT:ORG-219; 08-17-2009)

- a. Inspections may cover one or more of the following broad areas:
- Executive Direction
 - Program and policy implementation
 - Resource management

- Management controls
- b. Limited-scope inspections and special reviews may also be conducted to assess specific aspects of domestic programs, programs abroad, and operations in response to Department, BBG, USIBWC, any other organization for which OIG has oversight responsibilities or Congressional requests.

1 FAM 055.3 Inspection Planning

(CT:ORG-312; 07-17-2013)

The Office of Inspections (OIG/ISP) will normally notify the managers of posts, bureaus, other entities, the BBG, the USIBWC and any other organization for which the OIG has oversight responsibilities of inspections well in advance of the beginning of the survey phase. The Inspector General reserves the right to conduct unannounced inspections.

1 FAM 055.4 Inspection Field Work

1 FAM 055.4-1 Overseas Inspections

(CT:ORG-312; 07-17-2013)

Inspections abroad of posts, other entities, and the BBG, and any other organization for which the OIG has oversight responsibilities generally include a review of programs and operations performed under the direction, coordination, and supervision of chiefs of mission (COMs) to determine whether they are being administered in accordance with U.S. foreign policy and are consistent with the Secretary's and the COM's responsibilities.

1 FAM 055.4-2 Domestic Inspections

(CT:ORG-312; 07-17-2013)

Domestic inspections generally focus on major programs and functions of the Department and the BBG, the USIBWC, and any other organization for which OIG has oversight responsibilities to provide senior managers with analyses and recommendations for systemic improvements in operations.

1 FAM 055.4-3 Compliance Follow-up Reviews

(CT:ORG-335; 06-27-2014)

Compliance follow-up reviews (CFRs) evaluate the quality of the inspected entities' implementation of recommendations issued in prior inspection reports. A CFR team will:

- (1) Review the previous inspection report and the reported corrective actions;

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- (2) Distribute, as appropriate, survey instruments to inspected entity(s) and compile and analyze the results to measure and report changes in the period between the previous inspection and the CFR;
- (3) Conduct on-site interviews and review and collect documentation to substantiate reported corrective actions;
- (4) Address new significant/egregious deficiencies or vulnerabilities identified by the CFR survey results and the on-site review and, where appropriate, issue new recommendations; and
- (5) Discuss the substance of the draft CFR report at the final meeting with the head of the inspected bureau/office or post.

1 FAM 055.5 Inspection Reporting

(CT:ORG-312; 07-17-2013)

If possible, prior to leaving the field work, the inspection team leader will give to the manager being inspected a draft inspection report for review, discussion and comment.

1 FAM 055.6 Inspector's Evaluation Reports

(CT:ORG-312; 07-17-2013)

- a. Inspection team leaders, normally of ambassadorial rank, may prepare, in connection with each post abroad or domestic inspection, an inspector's evaluation report (IER) on all career and noncareer chiefs of mission (COMs), permanent chargés, deputy chiefs of mission (DCMs), principal officers (POs), Assistant Secretaries, and deputy assistant secretaries who have been in their position more than 120 days (see 3 FAM 2813.5).
- b. If an IER is prepared, it will be directly related to the officer's management or supervision of the unit or post being inspected and will make up a part of the independent review of the operation being evaluated.
- c. IERs may evaluate the officer in any area of his or her responsibility, but will focus on their skills and abilities in managing personnel, budgets, resources, and programs. IER procedures allow for formal comment by the rated officer as part of the evaluation report.
- d. Inspectors would not normally write IERs on employees who departed the post or unit prior to the inspection, unless the team leader determines it is necessary.
- e. Inspectors would not prepare an IER on a person who has been at post less than 90 days on the date the review phase is scheduled to conclude, except under unusual circumstances, and with the approval of the Inspector General. The team leader will determine whether those at post less than 120 days but more than 90 days should be reviewed in an IER.

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- f. IERs may be prepared, at the discretion of inspectors, on any employee for the reasons stated in 3 FAM 2813.5-2, including:
- (1) To record outstanding or substandard performance that the inspection team leader feels needs further documentation; or
 - (2) To record performance observed during the inspection that noticeably differs from that reported in an employee's evaluation report prepared by his or her regular supervisors.
- g. Upon receiving an IER from the inspection team, OIG/ISP designates a panel of three active or retired ambassadors who have been senior inspectors to review the IER. Once approved, the panel sends the IER to the Inspector General. In the case of a career employee, the Inspector General sends it with a memorandum to the Director General of the Foreign Service, requesting that it be placed in the rated officer's official performance evaluation file. In the case of a noncareer employee, the Inspector General sends it to the Director General to review and send to the Deputy Secretary and White House Liaison Office to forward to the White House's personnel office.

1 FAM 056 AUDIT AND INSPECTION RECOMMENDATION COMPLIANCE

1 FAM 056.1 Definitions

(CT:ORG-312; 07-17-2013)

Closed recommendation: A recommendation is closed when one of the following situations applies:

- (1) OIG formally notifies the action office that satisfactory evidence of final action (i.e., information provided by the action office that confirms or attests to implementation) on an OIG recommendation has been accepted. The closing of a recommendation from an OIG report does not relieve the responsible manager of the obligation to report to OIG any changed circumstances substantially affecting the problem areas addressed in the recommendation or report and the effectiveness of agreed actions to correct these problems;
- (2) OIG acknowledges to the action office that an alternative course of action to the action proposed in the recommendation will satisfy the intent of the recommendation, and satisfactory evidence showing that the alternative action has been completed is provided to OIG;
- (3) OIG agrees partial implementation is acceptable and has been completed, or that noncompliance is acceptable;
- (4) Department management has agreed with the recommendation and

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implementation has been completed, or a negative decision has been reached through impasse procedures; and

- (5) OIG acknowledges to the action office that a major milestone has been achieved or a significant amount of the action necessary to implement the recommendation has been taken.

Compliance response: A written response from the action office to which a recommendation has been assigned for action, informing OIG of agreement or disagreement with the recommendation. Comments indicating agreement shall include planned corrective actions and, where appropriate, the actual or proposed target dates for achieving these actions. The reasons for any disagreement with a recommendation must be explained fully. Where disagreement is based on interpretation of law, regulation, or the authority of officials to take or not take action, the response must include the legal basis.

Final action: The completion of all actions that the management of an action office, in its management decision, has concluded is necessary to address the findings and recommendations in OIG reports.

Finding: A conclusion drawn from facts and information about the propriety, efficiency, effectiveness, or economy of operation of a post, unit, or activity.

Impasse: When the action office makes no response to an OIG recommendation, rejects it, or does not resolve it after a reasonable effort to achieve agreement, the OIG may take the issue to impasse. The impasse official for the Department is the Under Secretary for Management for the Department. The impasse official for the BBG is the Director for the International Broadcasting Bureau. The impasse official for the USIBWC is the Commissioner. The Inspector General may appeal an impasse decision in the Department and the BBG to the appropriate Deputy Secretary, or to the Secretary.

Management decision: When the management of an action office for an OIG recommendation informs OIG of its intended course of action in response to a recommendation. If OIG accepts the management decision, the recommendation is considered resolved. If OIG does not accept the management decision and the issue cannot be resolved after a reasonable effort to achieve agreement, the Inspector General may choose to take it to impasse.

Open Recommendation: An open recommendation is either resolved or unresolved (see definitions below).

Recommendation: A statement in an OIG report requiring action by the addressee organizations or officials to correct a deficiency or need for change or improvement identified in the report.

Resolved: Resolution of a recommendation occurs when:

- (1) The action office concurs with the recommendation (a management decision has been accepted by OIG), but the action office has not

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presented satisfactory evidence that it has implemented the recommendation or some alternative course of action acceptable to OIG;

- (2) The action office informs OIG that it disagrees with all or part of the recommendation, and OIG agrees to accept partial compliance or noncompliance; or
- (3) Impasse procedures have led to a positive or negative final management decision.

Unresolved: An unresolved recommendation occurs when the action office:

- (1) Has not responded to OIG;
- (2) Has failed to address the recommendation in a manner satisfactory to OIG;
- (3) Disagrees with the recommendation and did not suggest an alternative acceptable to OIG; or
- (4) Requests OIG to refer the matter to impasse, and the impasse official has not yet issued a decision.

1 FAM 056.2 Tracking Compliance

1 FAM 056.2-1 Policy and Procedures

(CT:ORG-325; 01-06-2013)

- a. The OIG Policy and Planning staff maintains a consolidated database of the status of all OIG recommendations.
- b. The OIG Offices of Audits and Inspections compliance officers analyze and correspond with each action officer who is responsible for communicating the official compliance position of the unit being audited or inspected.
- c. OIG includes specific instructions about the required compliance process to each post, bureau, other entity, or BBG office that is responsible for addressing a recommendation in the particular report. The action officer for each post, bureau, other entity, or BBG or any other organization for which OIG has oversight responsibilities must provide OIG compliance analysts with an official response to each applicable recommendation within the time period stated in the transmittal document, commencing on the date they receive the report, unless otherwise specified by the Inspector General.
- d. The action officer must officially respond to all applicable recommendations in the formal published report, even in those cases in which management had, in commenting on the draft, indicated what decision and action(s) would be taken.
- e. Recommendations are unresolved until such time as the OIG compliance officer determines they are resolved or closed. OIG compliance officers evaluate action officers' responses to determine the adequacy of actions taken or planned in the context of law and regulation, determine whether additional

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action or information is required, and inform action officers of any additional requirements.

- f. OIG compliance analysts should respond within 45 days to the action officer. OIG responses must contain an analysis of the action entity's response and indicate, if applicable, the new compliance status of the recommendation. The Inspector General reports all audit and inspection recommendations unresolved more than six months to the Secretary, the Board, the Commissioner, and the head(s) of any other organization for which the OIG is assigned oversight responsibility with the rationale and/or justification for those remaining unsolved.
- g. The action officer may provide an alternative solution in lieu of the recommendation and must clearly indicate that the intent of the recommendation will be met.
- h. OIG must report recommendations "without management decision" for periods longer than six months in the semiannual report (SAR).
- i. Recommendations that are resolved and involve a monetary claim, and any subsequent decision to waive or compromise the claim, must meet the requirements of the False Claims Amendment Act of 1968 (31 U.S.C. 3701), the Federal Claims Collection Standards (31 CFR Ch. IX), and other laws and regulations.
- j. Recommendations vary, so it is not possible to establish precise criteria for resolving specific recommendations, determining whether final action has occurred, or closing recommendations. OIG may not close a recommendation based solely on management's verbal acknowledgement that corrective action has been or will be implemented. The action office identified in the OIG report must provide sufficient, specific evidence during the compliance process for OIG to determine whether the intent of the recommendation has been met. In cases when recommendations are made to implement or change management practices, OIG might verify compliance by physical observation or third-party concurrence. General criteria for other types of recommendations are shown below:
 - (1) Recommendations on disallowed costs require evidence of repayment, agreement on the amount of the indebtedness and making arrangements for the repayment, referral to a claims collection official, or other remedial action or sanction authorized by applicable law and regulation;
 - (2) Recommendations concerning questioned costs (normally cases involving inadequate documentation) require evidence that the costs are supportable and eligible for payment or that excessive costs have been avoided or recovered; and
 - (3) Recommendations to publish new regulations, policies, procedures, manuals, handbooks, or other directives require evidence of actual publication.

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- k. Recommendations that are no longer valid or applicable require agreement by the Inspector General that good and valid reasons exist for not implementing them; for example, a change in the situation that led to the finding and the recommendation.
- l. If a post, bureau, other entity, the BBG, the USIBWC, or any other organization for which the OIG has oversight responsibilities questions or disagrees with an OIG recommendation, OIG makes every effort to resolve the issue, by formal or informal means, at the disputing officials' level. When an impasse is reached, the Inspector General may refer the matter to the Under Secretary for Management in the Department, the Commissioner of the USIBWC or impasse official for any other organization for which OIG has oversight responsibilities for a decision. The Inspector General provides the responsible post, bureau, other entity, or the BBG with sufficient notice and opportunity to present reasons for noncompliance. If the issue is not resolved to the Inspector General's satisfaction, the Inspector General must report this in the SAR.

1 FAM 056.2-2 Special Procedures for Recommendations on Reducing, Eliminating, or Reprogramming Personnel Positions and Significant Cost Savings or Cost Avoidance

(CT:ORG-312; 07-17-2013)

It is important for managers to make decisions as promptly as possible on OIG recommendations to reduce or reprogram personnel positions and to significantly reduce or save costs. A special procedure applies to reporting on and compliance with these recommendations:

- (1) The relevant assistant inspector general shall promptly provide the Inspector General with information on a recommendation identifying, reducing, eliminating, or reprogramming personnel positions or significant cost savings or cost avoidance;
- (2) The Inspector General or designee informs the posts, bureaus, other entities, the BBG, the USIBWC or any other organization for which the OIG has oversight responsibilities responsible for action and provides them with a copy of the finding and recommendation;
- (3) The Inspector General or designee informs the appropriate chief of mission (COM), Assistant Secretary, or office head, and the Director General of the Department or the Director of Human Resources in the BBG, the Commissioner of the USIBWC, or the head of any other organization for which the OIG has oversight responsibilities, that no action should be taken to hinder, reprogram, or otherwise affect a position recommended for reduction, elimination, or reprogramming until the involved parties make a final decision on OIG's recommendation;
- (4) If the action office with lead compliance responsibility for a recommended personnel position reduction, elimination, or reprogramming does not

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respond to OIG within the time specified, OIG will recommend that the Bureau of Human Resources (HR) in the Department, the Director of Human Resources in the BBG, the Commissioner in the USIBWC, or the head of any other organization for which the OIG has oversight responsibilities, adjust the personnel ceiling of the post, bureau, other entity or BBG office to comply with OIG's recommendation;

- (5) The Bureau of Human Resources in the Department, the Director of Human Resources in the BBG, the Commissioner in the USIBWC, or the head of any other organization for which the OIG has oversight responsibilities, must promptly notify OIG if an employee has been selected or has pending orders for assignment into a position flagged for elimination;
- (6) The action officer must respond within the time specified by the Inspector General, describing actions taken or to be taken to implement the recommendation. In the case of recommended significant cost savings or avoidance, OIG will send a copy of the finding, the recommendation, and the compliance response to the Bureau of Budget and Planning (BP) in the Department, the Commissioner in USIBWC, or the head of any other organization for which the OIG has oversight responsibilities;
- (7) If affected recipients, bureaus, other entities, or the BBG disagree with a recommendation made under these special procedures and the Inspector General accepts their position, OIG will immediately notify those persons affected by the initial recommendation;
- (8) If OIG has not received a response within the time specified from the action office for recommended significant cost savings or avoidance, the Inspector General may submit the recommendation for impasse after consulting with other affected senior managers; and the Inspector General may submit the issue at impasse to the Under Secretary for Management in the Department or to the Commissioner of USIBWC, or the head of any other organization for which the OIG has oversight responsibilities for decision. The Inspector General shall consult with other affected senior managers, as appropriate, prior to submitting the recommendation to impasse; and
- (9) If OIG determines there will be extensive delay in obtaining final resolution to a recommendation, it may change the status of the recommendation from resolved to unresolved.

1 FAM 057 INVESTIGATIONS

(CT:ORG-312; 07-17-2013)

- a. The Office of Investigations (OIG/INV) provides policy direction for and conducts, supervises, and coordinates investigations relating to the programs and operations of the Department, the BBG, the USIBWC, and any other

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organization for which OIG has oversight responsibilities.

- b. OIG/INV carries out these duties and responsibilities by identifying and referring for prosecution participants in fraud and other criminal activities, including expeditiously reporting to the Department of Justice whenever OIG/INV determines there are reasonable grounds to believe Federal criminal law has been violated.
- c. OIG/INV conducts both proactive and reactive investigations and handles special inquiries as the Inspector General directs.
- d. The confidentiality of investigations may preclude or limit the amount of information that can be shared with officials and employees in the Department, USIBWC, or any other organization for which the OIG has oversight responsibilities.
- e. Depending on the circumstances, OIG special agents may brief the chief of mission (COM) and/or other entity management officials or their designee on the matters under investigation, as appropriate.
- f. OIG/INV operates the OIG Hotline.

1 FAM 057.1 Definitions

(CT:ORG-335; 06-27-2014)

- a. Investigation: Work done by special agents in OIG/INV. This includes, but is not limited to, receiving and investigating complaints and information concerning the possible existence of activity constituting:
 - (1) A violation of law or regulation;
 - (2) Mismanagement, gross waste of funds, or abuse of authority; or
 - (3) A substantial and specific danger to public health or safety.
- b. OIG special agent: The official title of a criminal investigator in OIG/INV who is a sworn law enforcement officer authorized to conduct criminal investigations involving programs and operations of the Department, the BBG, the USIBWC, and any other organization for which OIG has oversight responsibilities and their contractors and grantees.

1 FAM 057.2 Investigative Standards

(CT:ORG-312; 07-17-2013)

OIG special agents conduct investigations with due respect for the rights and privacy of those involved and in compliance with the:

- (1) Attorney General's guidelines for OIGs with statutory law enforcement authority;
- (2) Federal rules of criminal procedure;

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- (3) Applicable laws, regulations, and decisions of the courts;
- (4) Quality Standards for Investigations issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE); and
- (5) OIG/INV internal policies and procedures.

1 FAM 057.3 Case Initiation Policy

(CT:ORG-312; 07-17-2013)

- a. The Inspector General has delegated authority to initiate investigations to the Assistant Inspector General for Investigations or designee, with the exception of allegations made against the Inspector General, Deputy Inspector General, or other OIG senior staff members. When OIG/INV determines a complaint would be more appropriately handled by OIG auditors or inspectors, they will refer it to the appropriate office. When OIG/INV determines that a complaint would be more appropriately handled by the Department, BBG, USIBWC or any other organization for which the OIG has oversight responsibilities management rather than OIG, they will refer it to the appropriate office.
- b. In instances of allegations made against the Deputy Inspectors General or other OIG senior staff members, the Inspector General will determine whether the allegation should be referred for investigation to the Integrity Committee of the Council of the Inspectors General on Integrity and Efficiency, to another Office of Inspector General, or to an external cognizant executive branch agency. All allegations that implicate the Inspector General will be referred to the Integrity Committee.

1 FAM 057.4 Law Enforcement Authority

(CT:ORG-219; 08-17-2009)

- a. In addition to the authority otherwise provided by the Inspector General Act of 1978, as amended, the Inspector General, the Assistant Inspector General for Investigations, and OIG special agents supervised by the Assistant Inspector General for Investigations have been authorized by the Attorney General to:
 - (1) Carry a firearm while engaged in official duties, as authorized under the Inspector General Act of 1978, as amended, or other statute, or as expressly authorized by the Attorney General;
 - (2) Make an arrest without a warrant while engaged in official duties as authorized under the Inspector General Act or other statute, or as expressly authorized by the Attorney General, for any offense against the United States committed in their presence, cognizable under the laws of the United States, if the Inspector General, Assistant Inspector General for Investigations, or special agent has reasonable grounds to believe that the person to be arrested has committed or is committing such offense; and

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- (3) Seek and execute warrants for arrest, search of a premises, and seizure of evidence issued under the authority of the United States upon probable cause to believe that a violation has been committed.
- b. These powers authorized for OIG may be rescinded or suspended upon a determination by the Attorney General that any of the Attorney General's requirements are no longer satisfied or that the exercise of authorized powers by OIG has not complied with the guidelines issued by the Attorney General.
- c. Powers authorized to be exercised by any individual may be rescinded or suspended with respect to that individual upon a determination by the Attorney General that such individual has not complied with guidelines issued by the Attorney General.
- d. Such determinations by the Attorney General shall not be reviewable in or by any court.
- e. To ensure the proper exercise of these law enforcement powers, OIG, in consultation with the Attorney General, entered into a memorandum of understanding with other OIGs to establish periodic external reviews to ensure that adequate internal safeguards and management procedures continue to exist within OIG. The review group sends the results of each review to the Inspector General and to the Attorney General.

1 FAM 057.5 Reports of Investigations

(CT:ORG-312; 07-17-2013)

- a. OIG special agents prepare Reports of Investigation when investigations or special inquiries are completed. The Inspector General controls the distribution of these reports.
- b. Completed investigations usually take one of three courses:
 - (1) Closed with no action: If OIG/INV finds the allegations or other basis for opening the investigation are not sustained or are found to be without merit, OIG/INV will close the investigation with no further action. The case documentation will be indexed, archived, and stored in OIG's system of records; or
 - (2) Referred to a prosecuting entity:
 - (a) In the United States: If OIG/INV finds evidence of criminal misconduct, OIG/INV may refer the facts to the U.S. Department of Justice. The Assistant Inspector General for Investigations or designee will follow up with the U.S. Department of Justice and keep the Inspector General and the OIG/OGC advised on the status of all referrals. If a civil or program fraud remedy is available, OIG/INV may refer the case to a civil assistant U.S. attorney or Department of Justice trial attorney, in the former case, or to OIG/OGC in the latter;

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- (b) Outside of the United States: If OIG/INV finds evidence of criminal misconduct by a locally employed staff person or local/third-country contractor, OIG/INV, in consultation with the cognizant regional security officer, may refer the facts to the local host-country law enforcement officials, or chief prosecutor. In instances when local prosecution is not possible, OIG/INV may refer the facts to the U.S. Department of Justice for prosecution. If a civil or program fraud remedy is available, OIG/INV will refer the case to a civil assistant U.S. attorney or Department of Justice trial attorney, in the former case, or to OIG/OGC in the latter; or
- (3) Referral to management officials: If OIG/INV finds evidence of administrative misconduct, malfeasance, misfeasance, nonfeasance, waste, or poor management during the course of the investigation, OIG will provide a report of investigation to the appropriate management official and/or to the Director General of the Foreign Service, the Office of the Procurement Executive, the Director of Human Resources of the BBG, the Commissioner of the USIBWC, or the head of any other organization for which the OIG has oversight responsibilities for such actions as monetary recoveries, employee disciplinary actions, and/or correction of systemic weaknesses. Information developed during an investigation which could impact the ability of an employee or contract employee to hold a security clearance will be referred to the Bureau of Diplomatic Security. Management officials will be asked to notify OIG/INV of the disposition of the case on a timely basis. If an investigation reveals a potential weakness in management policies and/or procedures, OIG/INV will issue a Management Assistance Report to the appropriate bureau or office.

1 FAM 058 RELEASE OF OIG REPORTS, DOCUMENTS, AND INFORMATION

(CT:ORG-312; 07-17-2013)

- a. OIG policy is to disclose the contents of or provide access to OIG reports, to the extent permitted by laws and regulations. OIG places strict controls on distribution and access to OIG documents; draft and final audit, inspection, and review reports, and any information compiled for criminal and administrative investigations.
- b. Persons in the Department, the BBG, the USIBWC, any other organization for which OIG has oversight responsibilities, other individuals, or organizations receiving OIG documents or reports are not authorized to reproduce them or to make further distribution without the express prior written authorization of the Inspector General or designee.
- c. The Inspector General or designee may provide access to OIG documents and reports to Congress and those executive branch agencies directly involved in

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the formulation and management of foreign policy, as the Inspector General determines, in accordance with applicable laws and regulations.

- d. Unauthorized release of these materials may jeopardize law enforcement proceedings or otherwise compromise the privacy of individuals or other rights protected by the Freedom of Information Act (FOIA) (5 U.S.C. 552) or the Privacy Act (PA) (5 U.S.C. 552a).
- e. Release of documents, records, and reports compiled for criminal and administrative investigations or for other reviews conducted by OIG will be determined on a case-by-case basis. OIG may provide access to these documents and reports as the Inspector General determines in accordance with applicable laws and regulations, to the Congress and those executive branch agencies directly involved in formulating and managing foreign policy.
- f. The Inspector General may release records and information contained in OIG/INV's system of records, subject to provisions of FOIA (5 U.S.C. 552) or PA (5 U.S.C. 552a). However, the vast majority of these records and related information may be exempt from disclosure under provisions of these acts, which permit agencies to deny access to records and information that are compiled for law enforcement purposes or are maintained by an agency or component that performs any criminal law enforcement activity as its principal function.
- g. Any Department, BBG, USIBWC, and any other organization for which OIG has oversight responsibilities employee, contractor or grantee receiving requests for OIG documents, reports, or information shall refer such requests to:

U.S. Department of State
Office of Inspector General
Office of General Counsel (OIG/OGC)
2201 C Street, NW, Suite 8100, SA-3
Washington, DC 20520-0308

See OIG web site for requests under FOIA.

- h. OIG maintains a system of records, separate and distinct from the Department's, in accordance with the Privacy Act notice published in the Federal Register, 56 Fed. Reg. 7,071 (February 21, 1991).
- i. While OIG makes every effort to cooperate in responding to information requests from Department and BBG employees, this cooperation is on a case-by-case basis and does not waive the independent status of OIG or of its system of records. OIG, however, is obligated to comply with the Freedom of Information Act and the Privacy Act of 1974.
- j. It is OIG policy to cooperate with the grievance board and employees to facilitate the resolution of cases. However, the Inspector General does not recognize any jurisdiction or control by the Board over OIG documents, reports, or activities. These materials are provided on a purely voluntary basis without waiver of Inspector General right or authority to deny such requests, as the

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Inspector General deems appropriate.

- k. No later than three days after any OIG report or any portion of any report is made publicly available, the Office of Inspector General shall post it on the OIG Web site.

1 FAM 059 SEMIANNUAL REPORT (SAR) TO THE CONGRESS: RESPONSIBILITIES

(CT:ORG-219; 08-17-2009)

The Inspector General shall transmit to the Secretary and to the Board no later than April 30 and October 31 of each year, a semiannual report (SAR) summarizing OIG activities during the preceding 6-month periods ending March 31 and September 30. See 1 FAM Exhibit 050(2) for the reporting requirements found in Section 5 of the Inspector General Act, as amended.

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1 FAM Exhibit 050(1)
List of Acronyms

(CT:ORG-312; 07-17-2013)

BBG	Broadcasting Board of Governors
BP	Bureau of Budget and Planning
CFR	Compliance follow-up review
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COM	Chief of mission
Department	U.S. Department of State
DS	Bureau of Diplomatic Security
ECIE	Executive Council on Integrity and Efficiency
FOIA	Freedom of Information Act
GAGAS	Generally accepted government auditing standards
GAO	Government Accountability Office
HR	Bureau of Human Resources
IER	Inspector's evaluation report
L/EMP	Office of the Legal Adviser for Employment Law
OIG	Office of Inspector General
OIG/AUD	Office of Audits
OIG/CPA	Office of Congressional and Public Affairs
OIG/EX	Office of the Executive Director
OIG/INV	Office of Investigations
OIG/ISP	Office of Inspections
OIG/MERO	Middle East Regional Office
OIG/OGC	Office of General Counsel
OMB	Office of Management and Budget
PA	Privacy Act
PCIE	President's Council on Integrity and Efficiency
SAR	Semiannual Report to the Congress
Secretary	Secretary of State
USIBWC	International Boundary and Water Commission, United States and Mexico, U.S. section

1 FAM Exhibit 050(2)

Responsibilities of the Inspector General for Content of the Semiannual Report (SAR) to the Congress

(CT:ORG-325; 01-06-2014)

- a. Each Inspector General shall, no later than April 30 and October 31 of each year, prepare semiannual reports (SARs) summarizing the activities of the office during the immediately preceding 6-month periods ending March 31 and September 30. Such reports shall include, but need not be limited to:
- (1) A description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of such establishment disclosed by such activities during the reporting period;
 - (2) A description of the recommendations for corrective action made by the OIG during the reporting period with respect to significant problems, abuses, or deficiencies identified pursuant to 1 FAM Exhibit 050(2);
 - (3) An identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed;
 - (4) A summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted;
 - (5) A summary of each report made to the head of the establishment under section 6(b)(2) of the Inspector General Act during the reporting period;
 - (6) A listing, subdivided according to subject matter, of each audit and inspection report issued by the OIG during the reporting period and for each report, where applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs), and the dollar value of recommendations that funds be put to better use;
 - (7) A summary of each particularly significant report;
 - (8) Statistical tables showing the total number of audit and inspection reports and the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) for reports:
 - (a) For which no management decision had been made by the commencement of the reporting period;
 - (b) That were issued during the reporting period; and
 - (c) For which a management decision was made during the reporting period, including:
 - i. The dollar value of disallowed costs; and
 - ii. The dollar value of costs not disallowed;

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- (d) For which no management decision has been made by the end of the reporting period;
- (9) Statistical tables showing the total number of audit and inspection reports and the dollar value of recommendations that funds be put to better use by management for reports:
 - (a) For which no management decision had been made by the commencement of the reporting period;
 - (b) That were issued during the reporting period; and
 - (c) For which a management decision was made during the reporting period, including:
 - i. The dollar value of recommendations that were agreed to by management; and
 - ii. The dollar value of recommendations that were not agreed to by management; and
 - (d) For which no management decision has been made by the end of the reporting period;
- (10) A summary of each audit and inspection report issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period (including the date and title of each such report), an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report;
- (11) A description and explanation of the reasons for any significant revised management decision made during the reporting period.
- b. Explanations of terms used in this section are as follows:
 - (1) The term "questioned cost" means a cost that is questioned by OIG because of one or more of the following:
 - (a) An alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
 - (b) A finding that, at the time of the audit, such cost is not supported by adequate documentation; or
 - (c) A finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable;
 - (2) The term "unsupported cost" means a cost that is questioned by the office because the office found that, at the time of the audit, such cost is not supported by adequate documentation;
 - (3) The term "disallowed cost" means a questioned cost that management, in a management decision, has sustained or agreed should not be charged to

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the U.S. Government;

- (4) The term “recommendation that funds be put to better use” means a recommendation by the office that funds could be used more efficiently if management of an establishment took actions to implement and complete the recommendation, including:
 - (a) Reductions in outlays;
 - (b) Deobligation of funds from programs or operations;
 - (c) Withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds;
 - (d) Costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor or grantee;
 - (e) Avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or
 - (f) Any other savings that are specifically identified;
- (5) The term “management decision” means the evaluation by the management of an establishment of the findings and recommendations included in audit and inspection reports and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary; and
- (6) The term “final action” means:
 - (a) The completion of all actions that the management of an establishment has concluded, in its management decision, are necessary with respect to the findings and recommendations included in audit and inspection reports; and
 - (b) In the event that the management of an establishment concludes no action is necessary, final action occurs when a management decision has been made.

1 FAM Exhibit 050(3)

Responsibilities of the Secretary of State and Responsibilities of the Broadcasting Board of Governors (BBG) for Reporting

(CT:ORG-219; 08-17-2009)

- a. The Secretary of State and the Broadcasting Board of Governors, within 30 days of receipt of the Semiannual Report (SAR) to the Congress from the Inspector General, shall send their respective reports to the appropriate committees or subcommittees of the Congress, along with any comments they determine appropriate. Additionally, the Secretary in the annual Performance and Accountability Report pursuant to OMB Circular A-123 and subsequent annual reporting instructions from OMB, and the Chair with each SAR, shall include the following information:
 - (1) Statistical tables showing the total number of audit and inspection reports and the dollar value of disallowed costs for reports:
 - (a) For which final action had not been taken by the commencement of the reporting period;
 - (b) On which management decisions were made during the reporting period;
 - (c) For which final action was taken during the reporting period, including:
 - i. The dollar value of disallowed costs that were recovered by management through collection, offset, property in lieu of cash, or otherwise; and
 - ii. The dollar value of disallowed costs that were written off by management; and
 - (d) For which no final action has been taken by the end of the reporting period.
- b. Statistical tables showing the total number of audit and inspection reports and the dollar value of recommendations that funds be put to better use by management agreed to in a management decision, for reports:
 - (1) For which final action had not been taken by the commencement of the reporting period;
 - (2) On which management decisions were made during the reporting period;
 - (3) For which final action was taken during the reporting period, including:
 - (a) The dollar value of recommendations that were actually completed; and
 - (b) The dollar value of recommendations that management has

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subsequently concluded should not or could not be implemented or completed; and

- (4) For which no final action has been taken by the end of the reporting period.
- c. A statement with respect to audit and inspection reports on which management decisions have been made but final action has not been taken, other than audit and inspection reports on which a management decision was made within the preceding year, containing:
 - (1) A list of such audit and inspection reports and the date each such report was issued;
 - (2) The dollar value of disallowed costs for each report;
 - (3) The dollar value of recommendations that funds be put to better use agreed to by management for each report; and
 - (4) An explanation of the reasons final action has not been taken with respect to each such audit report;

Except that such statement may exclude such audit and inspection reports that are under formal administrative or judicial appeal or upon which management of an establishment has agreed to pursue a legislative solution, but shall identify the number of reports in each category so excluded.

d. Explanations of terms used in this section are as follows:

- (1) The term "questioned cost" means a cost that OIG questioned because of:
 - (a) An alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
 - (b) A finding that, at the time of the audit or inspection, such cost is not supported by adequate documentation; or
 - (c) A finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable;
- (2) The term "unsupported cost" means a cost that is questioned by the office because the office found that, at the time of the audit or inspection, such cost is not supported by adequate documentation;
- (3) The term "disallowed cost" means a questioned cost that management, in a management decision, has sustained or agreed should not be charged to the U.S. Government;
- (4) The term "recommendation that funds be put to better use" means a recommendation by the office that funds could be used more efficiently if management of an establishment took actions to implement and complete the recommendation, including:
 - (a) Reductions in outlays;

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- (b) Deobligation of funds from programs or operations;
 - (c) Withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds;
 - (d) Costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor or grantee;
 - (e) Avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or
 - (f) Any other savings which are specifically identified;
- (5) The term "management decision" means the evaluation by the management of an establishment of the findings and recommendations included in audit and inspection reports and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary; and
- (6) The term "final action" means:
- (a) The completion of all actions that the management of an establishment has concluded, in its management decision, are necessary with respect to the findings and recommendations included in audit and inspection reports; and
 - (b) In the event that the management of an establishment concludes no action is necessary, final action occurs when a management decision has been made.

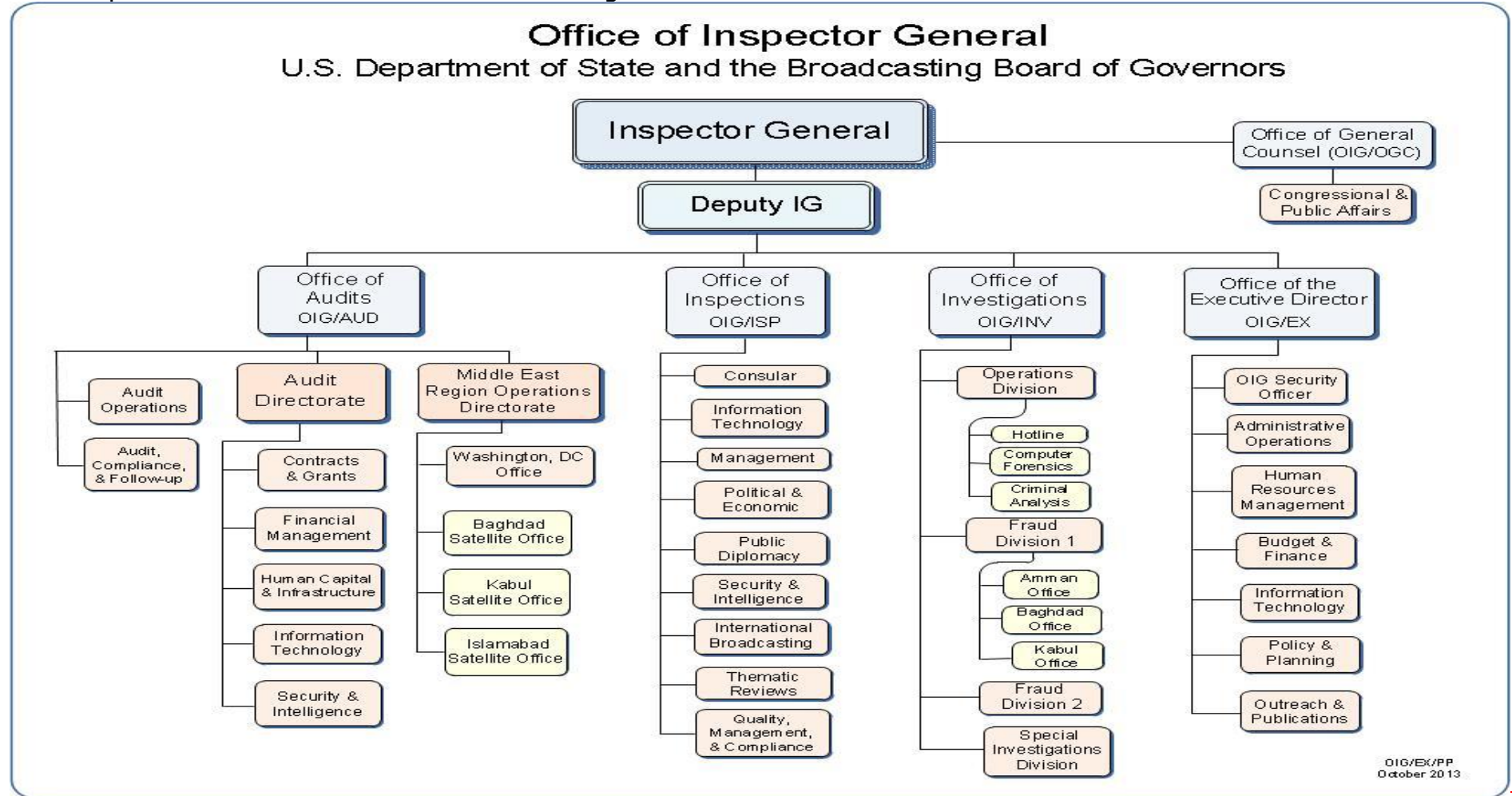
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1 FAM Exhibit 052 Office of Inspector General (OIG)

(CT:ORG-321; 10-01-2013)

U.S. Department of State and the Broadcasting Board of Governors



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